

CHIP ENG SENG CORPORATION LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199805196H)

TERMINATION OF THE PROPOSED SUBSCRIPTION OF NEW ORDINARY SHARES OF P99 HOLDINGS LIMITED

1. INTRODUCTION

The Board of Directors (the "**Board**") of **CHIP ENG SENG CORPORATION LTD** (the "**Company**") refers to:

- (a) the Company's announcement dated 24 May 2016 in respect of the proposed issuance by P99 HOLDINGS LIMITED ("**P99**") of up to 621,619,605 new ordinary shares (comprising up to 70% of the enlarged issued share capital of P99) to the Company or its nominee(s) (the "**Proposed Subscription**"); and
- (b) P99's announcement dated 24 May 2016 in respect of the proposed acquisition by P99 of up to 75% of the issued share capital of Fujian Hubang Building Materials Technology Co., Ltd. (福建省沪邦建材科技有限公司) and Quanzhou Yongbang Investment and Management Co., Ltd. (泉州市永邦投资管理有限公司), companies incorporated in the People's Republic of China engaged in the business of manufacturing lightweight partitions (the "**Proposed Acquisition**").

2. TERMINATION OF THE PROPOSED SUBSCRIPTION AND ACQUISITION

As the Company and P99 were unable to reach a consensus on structuring the Proposed Subscription and Proposed Acquisition, the Company and P99 have mutually agreed to terminate the Proposed Subscription with effect from 22 June 2016, and P99 has notified the vendors of its intention to terminate the Proposed Acquisition with effect from 22 June 2016. Accordingly, the Company will no longer be proceeding with the Proposed Subscription.

3. NO MATERIAL ADVERSE IMPACT

The termination of the Proposed Subscription is not expected to have any material adverse impact on the consolidated net tangible assets per share and earnings per share of the Company for the financial year ending 31 December 2016.

4. EXPLORING OTHER STRATEGIC ACQUISITIONS

The Company will continue to explore other strategic acquisitions and will make such announcement(s) as and when appropriate.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or (as far as the Company is aware) controlling shareholders of the Company has any interest, direct or indirect, in the termination of the Proposed Subscription save through his shareholding in the Company, if any.

BY ORDER OF THE BOARD

Chia Lee Meng Raymond
Executive Chairman
23 June 2016